

2012 Seattle City Council Statement of Legislative Intent

Approved

Tab	Action	Option	Version
13	1	A	1

Budget Action Title: Review of SPU financial policies.

Councilmembers: Conlin; Harrell; O'Brien

Staff Analyst: Meg Moorehead

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/08/2011	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

Statement of Legislative Intent:

The Council requests that Seattle Public Utilities (SPU) submit a report that reviews its financial policies, with an emphasis on drainage and wastewater policies including the policy for the cash contribution to the capital improvement program (CIP). The report should include:

- 1) A summary of financial policies for SPU's Funds and an explanation of why each policy target was selected.
- 2) A comparison of SPU financial policies and bond ratings to those of other comparable utilities and Seattle City Light.
- 3) An evaluation of the Drainage and Wastewater Fund cash-to-CIP policy that considers a change from a 25% CIP cash contribution to a 20% cash contribution. The evaluation should show any revenue requirement savings, the rate path through 2017 if a 20% cash-to-CIP policy were adopted and the long-term implications for debt outstanding. It also should explain any financial risks associated with such a change.

Responsible Council Committee(s): Seattle Public Utilities & Neighborhoods

Date Due to Council: January 31, 2012